

ASSESSING THE PERFORMANCE OF THE CIVIL SOCIETY CHALLENGE FUND (CSCF)

Mike Battcock

Department for International Development

Abstract

- **Aim:** The aim of the CSCF is to strengthen the capacity of poor people to understand and demand their rights and to improve their economic and social well-being. This will contribute to the Millennium Development Goals through developing evidence based, innovative approaches to international development.
- **Approach:** DFID will assess the performance of the CSCF, by managing the CSCF as a portfolio rather than micro managing the individual interventions. This will enable DFID to synthesise the lessons learnt and innovative practices for the different ways civil society can empower the poor rather than just identifying the lessons from discrete interventions.
- **Identifying the portfolio:** This has required DFID to identify an appropriate profile for the CSCF portfolio in respect to following key factors: the specific outcomes of the work (i.e. engagement in local, national or global decision making), the level of risk and opportunity to learn from the work and the engagement with different segments of Southern civil society (e.g. NGOs, faith groups or trade unions). The appraisal stage will now focus on which projects to include in the portfolio, and how these will affect the overall profile.
- **Learning from the portfolio** There will be a far greater emphasis on end of project evaluations rather than the annual reports. The primary responsibility for ensuring that projects are evaluated lies with the UK partner. DFID will be involved in the evaluations to ensure that useful knowledge is generated from the project experiences. This involvement will be selective and variable in the depth of engagement, according the scale of risk and opportunity: ranging from an assessment of the evaluation report to being fully involved at every stage of the evaluation process. The portfolio will be the framework to synthesise the knowledge and innovative ideas from the evaluations: with specific analysis of the different aspects of the portfolio as well as an overall analysis.
- **Disseminating lessons learnt:** A strategy is being developed to use the lessons learnt to enable DFID, other donors and UK civil society to improve the engagement with Southern civil society. This will be through interactive websites, publications and influencing key decision makers.

1. Background

1.1 The CSCF supports work, which empowers poor people, enabling them to speak for themselves, to do things for themselves and to make their own demands of those in power. It is not about supporting isolated development projects. It is about improving links between people to strengthen the demand for progress and to ensure that economic and social advances are equitably distributed globally. It seeks to achieve this by supporting initiatives of UK civil society working with Southern civil society to empower poor people to take control of their lives and to have real influence over decision makers at all levels.

1.2 The existing portfolio consists of over 250 projects in more than 60 countries with an annual budget of £10 million (further information on these projects is available on the DFID website). This significant body of working is contributing to the Millennium Development Goals through the fifth target in DFID's through developing evidence based, innovative approaches to international development.

1.3 The performance of the CSCF needs to be assessed because DFID is accountable to its stakeholders and to ensure that lessons are learnt and innovative approaches and good practice are identified, developed and disseminated. DFID is clearly accountable for the management of the CSCF and has always ensured that all projects funded through the CSCF and its predecessor, the Joint Funding Scheme, were monitored. However there was less emphasis on evaluating the overall fund. Lessons were clearly learnt from individual interventions but less was learnt from the fund as a whole. With the establishment of the CSCF in 2000, work was started on how this could be achieved. A study by Dr Richard Davies came up with many ideas, which became the basis of the performance assessment systems for the CSCF.

1.4 The basic premise was to move from the micro management of individual interventions to lesson learning from a balanced portfolio of a variety of interventions. This should mean that we are learning from a £10 million a year body of work rather than hundreds of lessons from £100,000 projects.

2. Developing a balanced portfolio

2.1 In order to focus on the management of the CSCF as a portfolio rather than micro managing individual projects, DFID needed to identify the range of work that would be appropriate within the overall CSCF portfolio. The three key factors were:

- The specific outcomes of the work,
- The engagement with Southern civil society,
- The level of risk and opportunity to learn from the work

2.2 The appropriate balance of work was then identified for a coherent portfolio and the actual percentage breakdown of work according to these categories of the existing portfolio was calculated. This will be used in the selection process to change the profile so that it more closely matches the desired profile. The profile will be reviewed before each annual decision round in January.

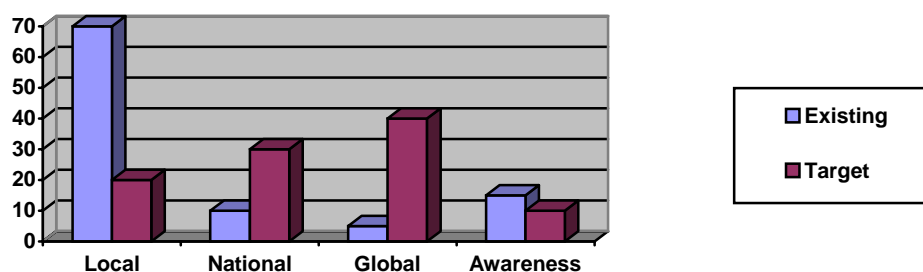
Outcome areas

2.3 The objective of the CSCF is to strengthen the capacity of poor people to understand and demand their rights and to improve their economic and social well-being. The role for UK based organisations to achieve this, has been studied and analysed in DFID¹. Using this analysis we have identified the comparative advantage of UK based organisations. From this, DFID has identified the following four broad outcome areas and will identify the relative distribution of effort that would be appropriate for the CSCF. These could be:

- Engagement in local decision making 20%
- Engagement in national decision making 30%
- Engagement in global decision making 40%
- Raising awareness of rights and entitlements 10%

2.4 This distribution is key to the analysis of the portfolio. How this distribution is assessed and modified is crucial to understanding the performance of the fund. The distribution will be reassessed each year primarily using the information from the evaluations. There are also possibilities to use the annual workshops to gather the views of the sector of the appropriateness of the distribution.

2.5 Each project in the existing portfolio was reviewed and a decision was made about which one or two outcome areas it was primarily contributing to. This provided us with an indication of the proportion of work in each outcome area and how closely they matched the desired portfolio:



2.6 As can be seen the existing portfolio has a very large amount of work at the local level and an acceptable level of work on raising awareness of rights and entitlements. The two areas where much more work is needed is engagement in local and global decision making. This can be used in influencing the decision making process in future rounds of the CSCF. For the next round, all A (and possibly B+) graded projects contributing 50% or 100% to the engagement on national and global decision making outcomes should be priority projects for funding. It is more than likely that not all A graded projects which are primarily on local decision making (50% or 100%) will be able to funded. The more tricky question is how to decide between these projects. This will be through the level of innovation in each project. Another possible factor would be the portfolio of work

¹ "The role of Northern Civil Society in international development", Sally Keeble, Parliamentary Under Secretary of State, Department for International Development.

within each outcome area. Each outcome area can be further divided (see appendix 1). For instance in respect to engagement in local decision making, this can be broken down to: influencing local policy and practice, influencing specific local strategies, monitoring services provided and enabling the poor to access services. A balanced portfolio of work within this outcome area can be developed.

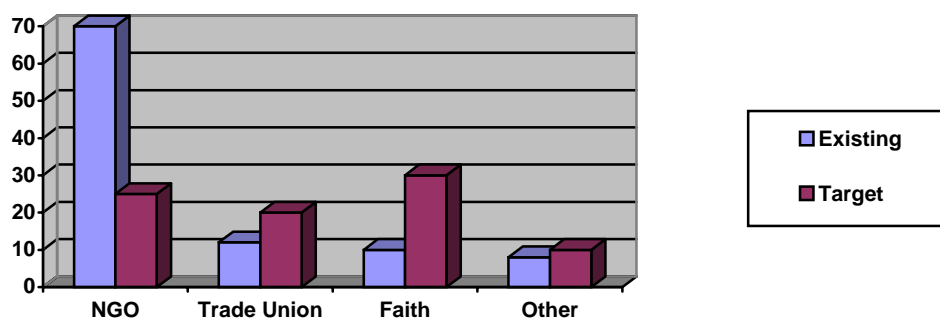
Engagement with civil society

2.7 Civil society is a mixture of many different groups and organisations with different values and views, and varies considerably from country to country. The role of a civil society has been studied and analysed in DFID. From this it is felt that a desired portfolio will be developed. This could be:

- Traditional NGOs 25%
- Trade Unions 20%
- Membership groups 30%
- Faith groups 15%
- Other groups 10%

2.8 This distribution is key to the analysis of the portfolio. How this distribution is assessed and modified is crucial to understanding the performance of the fund. The distribution will be reassessed each year primarily using the information from the evaluations. There are also possibilities to use the annual workshops to gather the views of the sector of the appropriateness of the distribution.

2.9 As with the outcome area, each project was reviewed and a decision was made about the level of engagement with different segments of civil society in country. Again the choice was between engaging primarily with one part of civil society or two at the most. This provided us with an indication of the level of engagement with different parts of civil society:

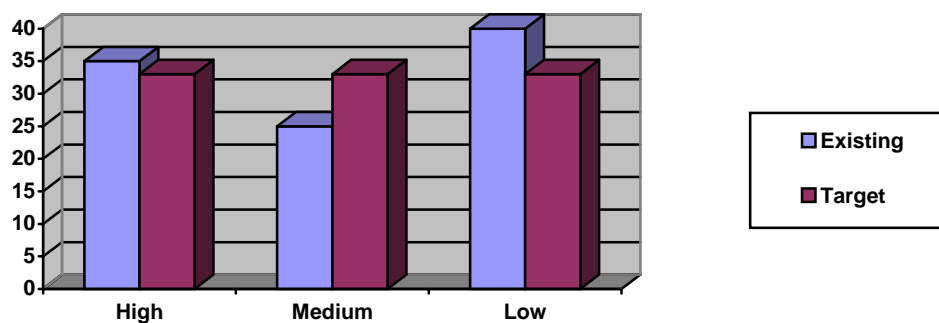


2.10 Most of the engagement is with Southern NGOs with less than 15% on any of the other categories. Therefore again, any A (and possibly B+) graded projects with 50% or more engagement with civil society groups other than Southern NGOs will be priority for funding.

Risk and opportunity

2.11 The risks associated with the project could be associated with the country e.g. a project in country where there is an ongoing conflict likely to impact on the

implementation and impact of a project or associated with the southern partner e.g. the partner organisation is recently established (for more detail see CSCF guidelines). The projects were also rated according to their opportunity as lesson learning projects. This was used to rate the projects as: high, medium or low risk and opportunity:



2.12 It is important to keep an appropriate balance between high, medium and low risk work. It is presently a pretty even distribution, which is acceptable. This is also used to identify which projects' annual reports to review and the level of engagement in project evaluations.

3. Managing the portfolio

3.1 DFID is accountable for the CSCF. DFID has a responsibility to ensure that the CSCF is managed effectively and transparently. This involves ensuring the management procedures are effective, the risk is managed sensibly and interested stakeholders are kept informed of the results and developments.

Fund management

3.2 The management procedures for the CSCF are outlined in the CSCF Guidelines. These were developed in consultation with the UK development sector through the network body BOND and any future changes will only be carried out after consultation. The guidelines are published on the web.

3.3 DFID monitors the performance of the management of the fund very closely. The information collected to identify the progress of the management of the fund is outlined in Appendix 2. This includes

- Timeliness of replies to enquiries
- The number of concept notes
- The number of concept notes approved
- Timeliness of appraising concept notes
- The number of new organisations and organisations from wider civil society applying.
- The number of proposals
- The number of proposals graded as suitable for funding
- Meeting the agreed deadline for appraising project proposals.

- Meeting the agreed deadlines for informing applicants of decisions
- Recording the feedback on decisions

3.4 There is also another set of information that even though has no bearing on the performance of the fund or the performance of the portfolio, is of great interest to the applicants:

- The percentage of concept notes and project proposals approved from different sized organisations,
- The percentage of concept notes and project proposals approved from different types of organisation (e.g. NGOs, trade unions and faith groups.)
- The percentage of project proposals for different sized initiatives approved.
- The percentage of different initiatives (e.g. local national and global) decision making approved.
- The percentage of proposals working with different parts of Southern civil society approved.

3.5 This information is analysed and presented to interested stakeholders annually at the CSCF Annual Workshop.

Risk management

3.6 With the move from micro management of each individual project (which was carried under previous funding schemes) to lesson learning from the overall portfolio, DFID will use the Annual Reports primarily to assess and manage the level of risk of the portfolio. The Annual Reports will not be used to evaluate the impact of the fund.

3.7 All recipients of CSCF grants are obliged to provide DFID with Annual Reports on the progress of their projects (See CSCF guidelines for details). A review of sample of 30% of all annual reports is sufficient to ensure that the risk of the CSCF is being managed. These reports will be reviewed by external contractors (Tripleline). This 30% will consist of:

- At each decision round 10% of the highest risk projects are identified. The annual reports of these projects will reviewed every year. The purpose of the feedback to the organisations is to help prevent the escalation of existing high risks. Specific plans of action will be agreed with agencies to manage projects which were already high risks and where the UK partner has subsequently advised DFID that risk have increased even further.
- At each decision round 10% of the highest opportunity to learn projects will be identified. The annual reports of these projects will be reviewed each year. The review will be to assess whether the project is still a high opportunity project and appropriate for DFID involvement in the project evaluation.
- A further 10% of the total number of reports should be sampled on a random basis. The purpose here will be to be able to make generalisations about the state of 80% of projects not sampled purposively. A secondary purpose will be to monitor whether the 20% purposively sampling level is adequate or not, and to identify if methods of identifying high risk and opportunity at the appraisal stage can be improved.

3.8 There will be a very brief review by DFID of the remaining 70% of projects to identify projects where the risks has escalated or the projects are failing badly.

Audit

3.9 Being an international fund managed from the UK, there is a need to audit the projects by visiting 10-20 projects each year to see if the work in the field corresponds to the written information (project proposals and annual reports) being supplied to DFID. These visits will also enable DFID staff to keep in touch with the field realities of the projects in a way that can never be achieved through second or third hand reports, summaries or syntheses. For 2003, the following visits are planned:

Countries	Visits objective	When	Who
Nicaragua	To visit 3 CSCF projects	Nicaragua in February 2003	DFID
South Africa	Visit 3-5 CSCF projects.	April/May 2003	DFID/Tripleline?
Tanzania	Visit 1-2 CSCF projects.	August 2003	DFID
India	Visit 3-5 CSCF projects	November 2003	DFID/Tripleline
Another	Visit 3-5 projects	January-March 2004	DFID/Tripleline

4. Evaluating the portfolio

4.1 As with the whole performance assessment process evaluations are needed to ensure DFID is accountable to the stakeholders; to ensure lessons are learnt and to improve future performance of the fund.

Responsibilities

4.2 All CSCF projects will have evaluations built into the project at the project proposal stage and that up to 5% of the project's total budget is allowed for evaluation costs. The primary responsibility for ensuring that projects are evaluated lies with the UK partner. DFID staff involvement in these evaluations will vary, from project to project and will be based on:

- The project's risk and opportunity ratings. More involvement would be appropriate in those with the highest ratings
- The project's success ratings. More involvement would be appropriate in projects with extreme ratings, especially in the most successful projects.
- The UK partner's specific requests for DFID involvement.

4.3 The number of evaluations to be carried out on CSCF projects in 2003/04 will be up to 40, in 2004/05 there could be as many as 140. After that it will fall off to about 90 a year.

DFID involvement

4.4 DFID needs to engage in this process so that DFID staff can develop a detailed understanding of the fund and where necessary provide specific technical skills. The nature of DFID involvement will range vary:

- DFID provides guidance on evaluations (see the CSCF guidelines).
- Tripleline will advise on the terms of reference of all evaluations. This will be on methodology and the appropriate lesson learning objectives.
- DFID/Tripleline will participate in up to 20% of all evaluations. This will involve discussions on the terms of reference, methodology, participating in the review itself in country and involvement in producing the final report.
- Tripleline will review every evaluation report and provide feedback to the organisation and to DFID.

4.5 DFID is planning to participate in the evaluation of the One World Action project in the Export Promotion Zone in Nicaragua in February 2003. For 2003/04, DFID is hoping to participate in a further two evaluations in two other countries. In 2004/05, DFID is planning to participate in 10 evaluations in 6 countries.

Peer review

4.6 DFID will also encourage peer involvement in evaluations i.e. a staff member from one UK development organisation would participate in the evaluation of a project implemented by another UK organisation. This will facilitate cross-learning amongst CSCF funded organisations. One incentive for such a process would be for DFID to provide funding of the extra costs involved outside of the budget of the evaluated project. DFID will provide advance warning of upcoming evaluations so that other organisations can signal their interest in participation through the DFID civil society website. Another way of making evaluations cost effective will be to require the evaluation to start with a desk review of similar evaluations funded by CSCF.

4.7 DFID will request all recipients of CSCF grants to place the evaluation report of their project on their own web site. Those organisations without web sites could ask BOND or Tripleline to post the report on the BOND or Tripleline website. DFID will produce a “directory” of links to those individual evaluation web pages, which includes a search engine function covering those sites only.

5. Analysis and synthesis

5.1 There will be a considerable volume of material from the management of the fund and especially from the evaluations that will need to be synthesised and analysed. DFID will be responsible for the synthesis and analysis of the overall fund. The portfolio will provide a framework to analyse this material. This will primarily be focused on lesson learning and identifying and developing innovative approaches. However there will also be a lot to be learnt on the efficiency of different approaches and the management of a fund.

Efficiency

5.2 There is a need to synthesise the information on the efficiency of the different interventions. Each individual evaluation will have information on the costs of the intervention as well as on the achievements in respect to appropriateness of the inputs,

the sufficiency of the inputs, and the timeliness of the activities. Comparing this to the outputs achieved, an indication of the efficiency of the intervention can be made.

5.3 Synthesis of the material will enable DFID to identify any specific common lessons learnt by projects working on similar outcome areas or with similar segments of Southern civil society. Other specific areas of synthesis can also be carried out. Pulling together the experience of projects in the same country or managed by the same UK organisation, even though not covered by the portfolio framework, could also be carried out if felt to be specifically valuable. Comparing the efficiency of projects within one folio with another is more problematic but would provide useful data for analysis.

Effectiveness

5.4 Information will be available on the achievement of the purpose and goal level objectives as well as the overall sustainability of the work. This can be synthesised within specific folios (e.g. different outcome areas or engagement with different segments of Southern civil society) and between different folios.

Impact

5.5 There is also a need to synthesis the material on impact to identify the lessons learnt in respect to the different folios within the portfolio. Work will also be carried out to aggregate the impact of the portfolio. All of the above will be used to produce an overall analysis of the fund.

Fund management

5.6 As mentioned above, DFID will also synthesise and report on the management of the fund.

6. Dissemination

6.1 The information produced will enable DFID to:

- Improve the contents of the CSCF portfolio and future performance of the fund
- Improve the engagement with Southern civil society.
- Provide information for global awareness campaigns
- Provide an objective basis for accountability to DFID's stakeholders (e.g. the British Government, UK civil society sector, Southern civil society and the general public).

Improving the engagement with Southern civil society

6.2 The lessons learnt from the fund will be an invaluable source of information for DFID, other donors and UK based organisations on how to engage with Southern civil society. DFID is developing a strategy to disseminate this information. This will include

- DFID will request all recipients of CSCF grants to place the evaluation report of their project on their own web site. This will ensure all the raw material is available for all researchers and practitioners.

- DFID will work with the UK development sector (primarily through BOND) to disseminate specific practical lessons learnt.
- The synthesis studies will be placed on DFID's civil society web site.
- DFID will produce an annual report on the CSCF which will be placed on the website
- DFID will hold an annual workshop to discuss the findings.

Improving the contents of the CSCF portfolio

6.3 The information will be used to improve the overall CSCF portfolio. The analysis and synthesis will build an improved understanding of engagement with civil society and the role of Northern civil society in this process. This will be used to further develop the portfolio criteria and the overall balance of the portfolio. This will be achieved through:

- Discussions with key people in DFID, academia and civil society.
- Ensuring continuity of staff involvement to ensure that DFID staff who have taken part in evaluations, or who have read evaluation reports, are subsequently involved in project funding decisions.
- Ensuring that the results of synthesis studies are fed back to both UK partners and DFID through joint workshops designed to work through the study conclusions and their implications.

Providing material for DFID's development awareness

6.4 The information will also be used to influence work on raising global and development awareness through engagement with the development awareness networks in the UK: Ideas, DEA, Cada and Cyfanwyd.

Fund Management

6.5 The lessons learnt on fund management will be disseminated through:

- The DFID Challenge Fund Working Group
- The UK Donors informal network (i.e. Community Fund, Comic Relief and DFID)
- Interactions with the EU
- Interactions with other national donors.

7. Conclusion

7.1 To be able to demonstrate that the CSCF is contributing to the Millennium Development Goals through *developing evidence based, innovative approaches to international development*, DFID needs to assess the performance of the CSCF. This will be achieved by managing the CSCF as a portfolio rather than micro managing the individual interventions. This will enable DFID to synthesise the lessons learnt and innovative practices for the different ways civil society can empower the poor rather than just identifying the lessons from discrete interventions. This has required DFID to identify an appropriate profile for the CSCF portfolio in respect to following key factors: the specific outcomes of the work (i.e. engagement in local, national or global decision making), the level of risk and opportunity to learn from the work and the engagement with different segments of Southern civil society (e.g. NGOs, faith groups or trade unions).

7.2 There will be a far greater emphasis on end of project evaluations rather than the annual reports. The portfolio will be the framework to synthesise the knowledge and innovative ideas from the evaluations: with specific analysis of the different aspects of the portfolio as well as an overall analysis.

7.3 A strategy is being developed to use the lessons learnt to enable DFID, other donors and UK civil society to improve the engagement with Southern civil society. This will be through interactive websites, publications and influencing key decision makers.

Mike Battcock
Information and Civil Society department
DFID
December 2002

APPENDIX 1

CSCF Outcome Areas

Building the capacity of Southern civil society to engage in local decision-making processes through:

- Local policy and practice
- Influencing local strategies
- Monitoring the services
- Accessing services

Building the capacity of Southern civil society to engage in national decision making processes through:

- Facilitating partnerships
- Lesson learning and best practice
- Lobbying governments on legislation and national strategies
- Lobbying other actors (private sectors and aid programmes)
- Government accountability: monitoring services and budgets

Improved international linkages to enable civil society in the South to participate more effectively at international levels in influencing and participating in the work of international institutions and policy makers through work with:

- International civil society
- Northern governments
- Multi-lateral organisations
- Multi-national private sector organisations

Raising awareness of entitlements and rights through work with:

- Media
- Education sector

Appendix 2

DATA ANALYSIS OF CSCF

THE NEED

The need for data is to be able to understand trends, to be accountable to DFID stakeholders, to deal with specific enquiries and to assist in appraising concept notes and proposals.

INFORMATION REQUIRED

General enquiries

- Organisation
- Whether new to CSCF
- Type of enquiry (i.e. A: Students/scholarships, B: Funding requests, C: Volunteering, D: CSCF general, E: PPA general, F: Other)
- Date received
- Date replied

Concept notes

- Reference number
- Date received
- Whether organisation is new to CSCF
- Type of organisation (A - NGO, B - trade unions, C – BMEs, D – Faith groups, E – Others)
- Size of agency (using BOND's codings).
- Approved or rejected
- Date letter sent
- Complaint on decision

Proposals

Extra information required on top of information above:

- Date proposal received
- Type of initiative (local, national or global decision making or awareness raising) (contributing to a maximum of 2 of these areas)
- Partnership: engagement with civil society (A - NGO, B - trade unions, C – Local government, D – Faith groups, E – Membership groups, F - Others) (Working primarily with 1 or 2 segments of civil society)
- Risk rating at proposal stage (high, medium or low)
- Risk rating after each annual report.
- Opportunity rating (high medium or low)
- Opportunity rating after each annual report.
- Geographic location (Latin America, Caribbean, West and North Africa, East and Central Africa, Southern Africa, South Asia, the rest of the world and international projects).
- Coding (A, B+, B- or C)
- Approved or rejected
- Date letter sent
- Complaint on decision

Evaluations

Extra information required to placed on system after evaluation completed:

- Achievement ratings for goal
- Achievement rating for purpose (1-6)
- Sustainability ratings (1-6)
- Output rating (1-6)
- Overall achievement rating (being the average of the above 4 ratings)
- Overall input assessment (high medium low)